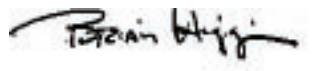


U.S. House of Representatives
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The *Truth* About *Changes* to Social Security.



From U.S. Representative Brian Higgins (NY-27)
Erie and Chautauqua Counties' voice in Washington.



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Having trouble with your Social Security Benefits?
In Chautauqua County call 716-484-0729. In Erie County call 716-852-3501.

<http://www.house.gov/higgins>



“I want to clear up any confusion over the proposed changes to Social Security, a system that has never missed a payment in the last 70 years, and if I have my say, will never miss one in the next 70 years.” – U.S. Representative Brian Higgins



Brian Higgins discusses Social Security with constituents in Erie County.



Is Social Security in crisis right now?

NO. Without a single change, the non-partisan Congressional Budget Office estimates that the system will be able to pay 100% of current benefits beyond the year 2050.

If it's not in crisis, do we need to change Social Security at all?

YES. While the current \$1.7 trillion surplus will continue paying full benefits for the next 50 years, small changes are needed to keep the system solvent for everyone in America, especially those just starting to work and pay into the system.

I have heard that the congressional leadership is pushing for partially privatizing Social Security, a plan that would cut my benefits by 40%. Is this true?

TRUE. Workers under age 55 would have their benefits cut by up to 40%, but would be allowed to invest a portion of their Social Security in the stock market. But there are many strings attached to this idea:

1. The government controls what funds you can invest in, not you.
2. You can't withdraw money from these funds, not even for emergencies.
3. At death, you would have to turn over these funds to an insurance company or new government bureaucracy, leaving little or nothing to pass on to your children.
4. A 70% tax on these funds would be levied by the new administration.

If I can't take out the money, can't make my own investment decisions, can't pass it on to my children, and have to pay a 70% tax, why would I do this?

You have to bet that you can beat the market. Worst of all, even if you do not opt for a personal retirement account, you will still have your benefits cut by up to 40%.

So even if I decide against privatizing my Social Security, my benefits will still be cut by 40%?

YES. Because of the costs of borrowing \$5 trillion over 20 years, building a new government bureaucracy to manage partial privatization, and the slice that will be taken out of the system by Wall Street, your benefits will be cut by up to 40% even if you opt out of the partial privatization scheme.

From where would the government borrow \$5 trillion to fund privatization?

The government would issue new treasury bonds that would mostly be bought up by foreign countries like China and Japan.

So what's the answer to fixing the long-term challenges of Social Security?

Back in 1983, President Reagan brought together Democrats and Republicans to make bipartisan adjustments to Social Security. That's the process we need now.

Partial Privatization means a

40%
CUT

